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# TOO GOOD TO BE TRUE....

## A Column on Consumer Issues by Attorney General Wayne Stenehjem's Consumer Protection and Antitrust Division

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### **CREDIT QUIZ PART TWO**

Nearly everyone has a credit card of some sort. But do you know how to use a credit card wisely?

Last week, we provided part one of a two-part credit quiz to test your consumer credit knowledge. Following is part two which will test your credit card knowledge.

**Question 1: How should I handle an unauthorized charge -- a purchase I did not make -- if I see one on my credit card bill?**

- A. Write a letter to my credit card issuer and the company that accepted my card for payment to absolve myself of any liability.
- B. Call my credit issuer immediately, follow up in writing, and report any lost or stolen credit cards to the police.
- C. Note the error on my credit card bill and send it back with a request for a corrected bill.

**Question 2: How can I protect myself from credit card fraud?**

- A. Do not give my name or other personal information, such as my address or salary, when applying for a credit card.
- B. Be extremely careful about disclosing account information by telephone to unsolicited callers.
- C. Purchase large amounts of credit insurance.

**Question 3: Under law, what information must a credit issuer disclose to me?**

- A. How and when all interest or fees will be applied to my account and other specific cost information.
- B. The day I may expect to receive the card in the mail.
- C. The name of the person at my financial institution who will handle my account.



**Question 4: What should I do if I find myself becoming financially overextended?**

- A. Avoid calls from creditors, then file for bankruptcy.
- B. Get a loan from a credit bureau and work out a reasonable repayment schedule.
- C. Use a budget, ask lenders to help me with a payment schedule, or seek professional credit counseling.

**Answers:**

Question 1: B. It is extremely important to call your issuer immediately if you see an unauthorized charge because it could show fraud. Follow up in writing. Always report a lost or stolen credit card immediately to your card issuer and contact local authorities.

Question 2: B. In addition, keep your card and card numbers in a safe place, and report loss or theft right away. You are not required to supply your phone number and address when you use a credit card to buy anything. Contact the Attorney General's Consumer Protection Division if you have problems.

Question 3: A. The right to full disclosure of cost and obligation information, including finance charges, such as late payment fees, must be given to you under the federal Truth in Lending Act.

Question 4: C. It is important to contact your creditors or a counseling service if there is a problem. Failure to pay your bills on time may result in a negative credit report which may affect your ability to get financing when you need it. Beware of "credit repair companies" that claim to fix your credit report for a fee. Instead, consider calling your local consumer credit counseling service.

The Attorney General's Consumer Protection Division has several brochures available which address credit issues. If you would like a copy of any of these brochures, call the Consumer Protection Division at 701-328-3404 or toll free at 1-800-472-2600.